



State of California

Employment Training Panel

Arnold Schwarzenegger, Governor

November 6, 2009

Cheri Barkley, Strategic Sourcing Manager
Yahoo! Inc.
701 First Avenue
Sunnyvale, CA 94089

Dear Ms. Barkley:

RE: FINAL MONITORING VISIT REPORT for YAHOO II (ET08-0199)

Date of the Visit:	11/06/09
Beginning/Ending Time:	9:30 a.m. – 12:30 p.m.
Date of Last Visit:	06/11/09
Visit Location:	Burbank
Persons in attendance:	Irene Henderson, Director of Global Enrichment & Training, Yahoo! Winny Ho, Consultant, The Enterprise University Margarita M. Paccarelli, ETP Contract Analyst
Action Required:	No

CONTRACT INFORMATION:

Term of Agreement:	09/05/07 – 09/04/09	Agreement Amount:	\$1,000,692
Training Start Date:	09/05/07	No. to Retain:	722
Date Training must be Completed:	06/05/09	Range of Hours:	24 - 200
Type of Trainee:	Retrainee	Weighted Ave. Hours:	77

FINAL REPORT SUMMARY

• HISTORY OF AGREEMENT CHANGES

The Agreement was executed on October 19, 2007 and training began on September 5, 2007. Your project staff reported that all training was completed on June 5, 2009, which allowed for the 90-day retention period to be completed within the term ending date of the Agreement – September 4, 2009.

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ETP (04/15/05)

- **FINAL PROJECT STATISTICS**

Project Statistics Provided by the Contractor

Trainees Started Training:	2,732	Currently in Training:	0
Trainees Enrolled:	2,732	Completed Training:	522
Dropped Following Enrollment:	2,210	Completed Retention:	522

This Agreement contains a variable training plan, which means that reimbursement will be based on the total actual number of training hours completed by each trainee between 24 and 200 class/lab training hours. There will be no reimbursement for any trainee who does not complete a minimum of 24 hours of training from the required curriculum.

Based on the data obtained from the ETP Online Tracking System, there are 522 trainees who met the minimum class/lab training hours. The system also shows that your company provided 46,475 training hours during the contract term. However, only 27,955 hours are eligible for reimbursement. There are 18,520 hours entered online that are not eligible for reimbursement, because the trainees who completed these hours have not met the required minimum hours. Based on the reimbursable hours, your company will receive approximately \$499,212, which represents 50 percent of the Agreement amount.

Your staff was reminded that this Agreement ended in September 4, 2009. At this time, all active trainees must either be dropped or invoiced for final payment. By the terms of the agreement the final contract closeout should have been completed within 30 days of the end term date of the Agreement. Since the deadline has passed, ETP is giving you an extension for another 45 days. The final contract closeout invoice and associated documents must be submitted to ETP on or before the close of business on November 19, 2009.

- **INTERVIEW WITH CONTRACTOR'S REPRESENTATIVES**

According to your staff, Yahoo did not earn 100 percent in this Agreement due to unforeseen changes in the last few years, including a worsening economy and a corporate reorganization with new corporate leadership. In order to remain flexible and succeed in the new economic environment, training plans had to change within the company.

In addition, majority of the trainees who participated in this Agreement received Webex-based training. Yahoo requested ETP to allow this methodology, but it was denied because your system did not have the capability to track the actual online usage/time and generate reports to show information required by ETP. Due to this decision, majority of the trainees' total hours fell below the required 24 minimum hours which made them ineligible for reimbursement.

Yahoo has been through an unprecedented year marked by the consideration of several strategic initiatives. Some changes taken on company-wide are simplifying the organization and clarifying strategy, accelerating decision-making, increasing accountability, and enhanced concentration on the customer. The ETP-funded training helped Yahoo! accomplish these strategic goals and support the vision of the new Chief Executive Officer.

Your staff stated that Yahoo has refocused on its core technologies and products, and many people are performing multiple roles. Teams were streamlined and new positions created focused on customer advocacy, marketing, and operations. The ETP-funded training supported the company's strategic direction by offering cross-training so employees have the knowledge and skills for their new hybrid roles.

When queried about your company's experience with the ETP program, your staff stated that their experience had been extremely positive and that the ETP staff was very helpful in providing support and assistance in the administration of this project. They also stated that they did not experience any problem with ETP record keeping and the online systems.

TRAINING RECORDS

At the last monitoring visit, Ms. Paccarelli cited several action items relating to your attendance rosters. These rosters were corrected and reviewed by Ms. Paccarelli during this visit. She also conducted a random sampling of new records (10 trainees who completed training).

Records reviewed validated the completion of the training hours required in this Agreement. Records show that these trainees completed between 24 and 200 class/lab training hours and the completed hours matches those posted on the ETP Online Tracking System. Records reviewed confirmed that the Agreement curriculum was provided as specified and the ratio of trainer to trainee delineated in the Agreement training plan was adhered to.

The above findings are based only on the training records reviewed during this visit and represent only a sample of the training records completed to date. Therefore, it is your responsibility to ensure that all training records comply with Panel requirements for auditing purposes. (Reference: Title 22 California Code of Regulations, Section 4442)

AUDIT

Your company will be notified in writing if this agreement is selected for an audit that will be conducted either at your site (field audit) or by telephone if selected for a desk review. These notifications will be sent in advance to allow ample preparation time and will include a list of documentation that will be examined by the auditor. A list of the documentation typically examined during an audit will be included along with the Audit Notification and Audit Confirmation letters.

To provide support of training, original training attendance documentation is required; photocopied records are not acceptable. Listed below are types of records typically requested during an ETP field audit:

- Training attendance records such as rosters, sign-in sheets, etc.
- Payroll records of individual trainees to verify wage and hours worked
- Personnel records regarding occupation and dates of employment
- Documentation of employer paid health benefits (if applicable)
- Cash receipts to verify receipt and accounting of ETP funds

RECORD RETENTION

Records must be retained within your control and be available for review at your place of business within the State of California. This responsibility will terminate no sooner than four (4) years from the date of the termination of the Agreement or three (3) years from the date of the last payment by ETP to the Contractor, or the date of resolution of appeals, audits, claims, exceptions, or litigation, whichever is later.

If you have any questions or comments regarding this report, please contact Margarita Paccereilli at (818) 755-1317 or by email at mpaccereilli@etp.ca.gov within ten (10) working days from the receipt of this report.

Sincerely,

Signature on file

Wally Aguilar, Program Manager
North Hollywood Regional Office

Signature on file

Margarita M. Paccereilli, Analyst
North Hollywood Regional Office

cc: David Guzman, Chief, ETP Audit & Program Operations Division (via email)
Kulbir Mayall, ETP Fiscal Manager (via email)
Irene Henderson, Yahoo (via email)
Winnie Ho, The Enterprise U (via email)
Master File
Project File

Date report mailed to Contractor 11/16/09